

Message Text

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PAGE 01 MANAGU 04534 281730Z

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ACTION ARA-06

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FM AMEMBASSY MANAGUA

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INFO USSOUTHCOM

C O N F I D E N T I A L MANAGUA 4534

LIMDIS

FOR ASSISTANT SECRETARY SHLAUDEMANN FROM AMBASSADOR

E.O. 11652: GDS

TAGS: MASS, PFOR, SHUM, NU

SUBJECT: FMS TRANSACTIONS WITH GON; M-16'S AND M-60'S

REF: (A) MANAGUA 4395, (B) STATE 189779, AND (C) MANAGUA 3900

1. DURING YOUR SEPTEMBER 18, 1976 MEETING WITH PRESIDENT SOMOZA, YOU WERE QUESTIONED BY SOMOZA CONCERNING THE PROLONGED DEPARTMENT DELAY IN APPROVAL OF FMS TRANSACTIONS FOR M-16'S AND OTHER ARMS. YOU REPLIED THAT YOU WOULD LOOK INTO THE MATTER PERSONALLY UPON YOUR RETURN TO WASHINGTON IN ORDER TO EXPEDITE ACTION ON THE MATTER. (SEE REFTEL A).

2. AS YOU KNOW, GON REQUESTS FOR FMS CREDIT FINANCING TO COVER COMMERCIAL SALE OF 6,000 M-16'S, FMS CASH SALE OF 510 M-60 MACHINE GUNS, AND FMS CASH SALE OF AMMUNITION FOR BOTH WEAPONS HAVE BEEN UNDER CONSIDERATION BY THE DEPARTMENT AND DOD FOR SOME TIME. THE INITIAL REQUEST FOR M-16'S WAS MADE BACK IN FEBRUARY OF THIS YEAR, OVER SIX MONTHS AGO. THE DEPARTMENT HAS APPROVED IN PRINCIPLE THESE TRANSACTIONS BUT FINAL AUTHORIZATION OF THE CONTRACTS HAS BEEN DEFERRED FOR THE PAST SEVERAL MONTHS, PENDING FURTHER DEVELOPMENTS

CONFIDENTIAL

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PAGE 02 MANAGU 04534 281730Z

IN CONGRESSIONAL SCRUTINY OF THE HUMAN RIGHTS SITUATION IN NICARA-

GUA. (SEE REFTTEL B).

3. IN REFTTEL (C), THE EMBASSY COMMUNICATED ITS JUDGMENT THAT FURTHER SUBSTANTIAL DELAY IN THE DEPARTMENT'S APPROVAL OF THE FMS TRANSACTIONS (WHICH THE GON WILL CONSIDER EQUIVALENT TO REJECTION) WILL PROVE TO BE COUNTER-PRODUCTIVE . THE RESULT WILL LIKELY BE: (A) GON PURCHASES OF DESIRED ARMS IN WESTERN EUROPE OR OTHER THIRD COUNTRIES, (B) DECREASED RECEPTIVITY OF THE GON TO OUR POSITION ON HUMAN RIGHTS AND, (C) SERIOUS WEAKENING OF OUR TRADITIONALLY COOPERATIVE BILATERAL RELATIONS WITH NICARAGUA. NONE OF THESE PROBABLE OUTCOMES SERVE U.S. INTERESTS.

4. THE DEPARTMENT MUST BALANCE THE POSSIBILITY OF CONGRESSIONAL ACTION AGAINST FMS TRANSACTIONS FOR NICARAGUA WITH RESULTING DETERIORATION OF OUR RELATIONS AGAINST THE CERTAINTY THAT OUR RELATIONS WILL BE STRAINED IF THE DEPARTMENT'S DELAY IN APPROVAL OF THE CONTRACTS COMPELS THE GON TO MAKE PURCHASES ELSEWHERE.

5. IT IS THE EMBASSY'S VIEW THAT THE RISKS OF CONGRESSIONAL ACTION AGAINST NICARAGUA HAVE BEEN LESSENED BY SOME TENTATIVE SIGNS OF IMPROVEMENT IN THE HUMAN RIGHTS SITUATION IN THE PAST TWO MONTHS, INCLUDING THE BISHOP OF MATAGALPA'S ASSERTION THAT FEWER INCIDENTS OF NATIONAL GUARD ABUSES HAVE BEEN REPORTED TO HIM. AT THE SAME TIME, PRESIDENT SOMOZA HAS SENT CAPTAIN SOMOZA AND COLONEL PORRAS TO EUROPE TO SEEK ALTERNATIVE SUPPLIERS OF SIMILAR EAPONS, ACCORDING TO A STATEMENT MADE BY THE PRESIDENT TO THE DEFENSE ATTACHE SEVERAL DAYS AGO.

6. UNDER THESE CIRCUMSTANCES, THE EMBASSY BELIEVES THAT FURTHER DELAY IN APPROVAL OF THE FMS TRANSACTIONS FOR NICARAGUA IS NEITHER WARRANTED NOR ADVISABLE. IT WOULD BE GREATLY APPRECIATED IF YOU GAVE THIS MATTER YOUR PERSONAL ATTENTION, AS YOU INDICATED YOU WOULD TO PRESIDENT SOMOZA, AND ADVISE US OF THE DEPARTMENT'S DECISION. THEBERGE

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